

**Special Meeting Minutes**  
**Wednesday, September 02, 2009**  
**Meeting Scheduled Start Time: 2:00 PM**

**BOARD OF SUPERVISORS**  
**Maricopa County, Arizona**  
(and the Boards of Directors of the Flood Control  
District, Library District, Stadium District, Improvement  
Districts, and/or Board of Deposit)



"The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services to its residents so they can enjoy living in healthy and safe communities."

**Board Members**

Max Wilson, District 4, Chairman  
Fulton Brock, District 1  
Don Stapley, District 2  
Andrew Kunasek, District 3  
Mary Rose Wilcox, District 5

**County Manager**

David Smith

**Clerk of the Board**

Fran McCarroll

**Meeting Location**

Supervisors' Conference Room  
301 W. Jefferson, 10th Floor  
Phoenix, Arizona 85003

## **BOARD OF SUPERVISORS**

The Board of Supervisors of Maricopa County, Phoenix, Arizona, convened in Special Session at 2:00 PM on Wednesday, September 02, 2009, in the Board of Supervisors Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Max Wilson, Chairman, District 4; Don Stapley, District 2; Mary Rose Wilcox, District 5. Absent: Fulton Brock, District 1; Andrew Kunasek, District 3. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Minutes Coordinator; David Smith, County Manager; and Victoria Mangiapane, Deputy County Attorney.

### **Office of Management and Budget**

#### **1. FY 2009 ENDING FUND BALANCE AND IMPACT ON FY 2010**

Presentation regarding the FY 2009 Ending Fund Balance and Impact on FY 2010.

Sandi Wilson, Deputy County Manager  
Christopher Bradley, Deputy Budget Director, **did not attend**  
Brian Hushek, Deputy Budget Director  
LeeAnn Bohn, Deputy Budget Director  
(C-49-10-011-P-00)

Chairman Wilson noted the many rumors relating to budget monies "carried over" as to amounts, reasons, and available uses. He reminded everyone that this is an open meeting with the usual open disclosures. He asked David Smith to report on the County's current financial status.

David Smith explained that he has been sharing and distributing financial and budget information in his Monthly Variance Reports that has included information on the General Fund, Jail Fund and various department finances, because he had determined this information needed to be available outside of management. He indicated that good government practices this kind of openness with taxpayer funds. In giving an example of "what bad government looks like" Mr. Smith alluded to the County's financial crisis of the mid-1990's and said, "We don't want to go back to that." He also noted the current financial crisis currently being experienced by the State of Arizona saying the AZ Corporation Commission, Department of Public Safety and other State workers don't know if they will be paid this week because there is no available cash in State government. He stated that

California government workers are being paid in script, and there are concerns about public safety because California was forced to release 20,000 felons from their jails.

Mr. Smith said that because of the conservative measures followed by the Board of Supervisors and Management for the past 15 years, Maricopa County government is in a much better financial state today than almost any other government you can name. The County set aside \$62 million that is delegated in a reserve fund so there will be no need to borrow money to pay bills like most other governments are having to do during this crisis. Maricopa County is a good example of good government. He explained that to help achieve this, all County departments have had to take cuts, some voluntarily took larger cuts than asked. Every department had to cut back while maintaining excellent customer services.

He mentioned the \$68 million Maricopa County had to “donate” to Arizona State for each of the past two years and said it could have been higher this year. He said the County had planned for this and had started cutting back several years ago. He referenced the huge downturn in revenues and said it accounted for approximately \$80 million less for the County’s budget. Mr. Smith added, “We have a plan to get through this recession but if someone has a better plan, tell me.”

Sandi Wilson, LeeAnn Bohn, and Brian Hushek reviewed the slides in the OMB presentation, giving additional information when requested to do so, including the FY 2008-10 percentages of budget reductions agreed to by each County department, from Parks and Recreation who took a 60.8% reduction, to smaller reductions from smaller departments and individuals like the Constables who took 1.1%. Most of these were voluntary cuts, others were worked out and agreed to with OMB. Staffing reduction savings were mostly received by not filling already vacated positions (78%), resulting in a need for as few Reductions in Force as possible (22%). An overview of revenue sources and trends was provided and charts showed how County tax monies are spent – the largest expenditure is for things mandated by the State. There has been a 61% spend down of the General Fund Unreserved Balance, from \$507 million in FY 2007 to \$198 million in FY 2010.

Continuing plans to build the Court Tower has raised criticism and this was answered by Brian Hushek with nine bullet points that included the 40,000 felonies now handled by the courts every year, growing at a rate of 6% a year. He said that the Tower’s construction budget of \$258.6 million will take advantage of deflated market prices for building products, especially steel and copper. Construction will create 1,600 jobs for Arizona workers, 1,200 in construction and trades, 300 professional and 100 service jobs, and is expected to infuse \$340 million into the local economy. Funds to build the Court Tower have been set aside and earmarked for several years. By continuing its pay-as-you-go philosophy and not borrowing for this project, County controlled property taxes will be kept low. This project is expected to be completed on budget and on time.

Supervisor Brock said it was important for residents to understand two things: 1. The County must continue to absorb ongoing claims of \$709 million from hospitals against the County Hospital, Maricopa Integrated Health Systems (MIHS), from before it became a special district; 2. Healthcare costs for employees rise 8% to 12% every year. He said only \$52 million is designated for use in pending legal settlements and asked how these liabilities would be covered. Sandi Wilson replied they are unsure of the exact plan for MIHS liabilities but there are some funds set aside in the Trust Fund, and they would look to on-going revenue to support the expected 10% increase in healthcare costs.

Supervisor Wilcox asked about the \$198 million carry-over everyone is talking about. Ms. Wilson replied they had expected \$187 million to carry-over for items coming due at a later time, and \$10 million was picked up in addition to that expected amount. The \$187 million has already been

appropriated in the 2010 budget for projects that were not completed in the last fiscal year. She said the Board will determine what to do with the additional \$10 million.

Supervisor Wilcox asked about the hiring freeze and about how departments handle this. Ms. Wilson said there is a process to give exemptions and a possibility that with an improving economy the hiring and buying freezes may be lifted.

LeeAnn Bohn noted that the Maricopa County Sheriff's Office is looking at some critical hiring needs but OMB has not been asked to fill the need for the more than 100 Detention Officers that is being experienced.

Sandi Wilson added that OMB had voiced concerns about Detention Officers during their budget discussions with the Sheriff's Office and had recommended they not include cutting the number of Detention Officers. She added that the Sheriff did sign his budget and she understood he was okay with the plan he signed.

Supervisor Stapley thanked the elected and appointed officials in attendance at this meeting. He said the real issue is the State budget and what they will do. He explained that the County is trying to educate the legislators that we have to be able to operate and he had hope that Governor Brewer will give counties some mandated help because she had sat on this Board and understands county government and county problems.

Supervisor Stapley explained the need for improved communication and put forward his idea of monthly, free-flowing roundtable discussions and said he would like them to include Board Members. He added his hope that discussing issues before things become a real problem might lessen the number of lawsuits being filed against the County and the Board because these suits have been a real financial drain. He noted that housing is starting to move again and this would provide some momentum in the right direction but said the County must stay prepared in case recovery is delayed.

Chairman Wilson said some have expressed concern in determining exactly what their budget is, and also that if they turn money back at the end of the year they may be penalized the next year.

David Smith replied that Maricopa County's common revenue source is taxes and all need to understand that any budget is simply an estimate, sometimes the estimate is high and sometimes it is too low. He spoke on OMB's experimentation with various incentives, adding that there is no simple solution to reward good financial management and, in any case, such rewards in government would be "unusual." He said the Board's intention is, "to have good policies over an extended period of time; nice, even tax rates; and to keep everything as even and steady as possible.

Helen Purcell, County Recorder, felt that roundtable discussions were a very good idea. "We don't operate our offices in a vacuum," and it is good for all to have a good understanding of the rest of the County.

Hos Hoskins, County Treasurer, also felt roundtables were a good step. He said he felt there was a mistake on the slides regarding the percent cut in the Treasurer's Office. He felt the cut was approximately 30% but the slides showed only 6.4%. He brought up points regarding IT staffing in his office.

Supervisor Wilcox said that OMB did not take the IT personnel from his office, that it had been a Board decision to bring that IT into the rest of the County's IT system for efficiency reasons.

Clerk of the Court, Michael Jeanes, said he would welcome the opportunity for better communication and increased information from roundtables, feeling all would be better able to understand some of the decisions made by the Board.

Chairman Wilson opened the floor for comments from others in attendance:

Luis Altamirano, Maricopa County Association of Detention Officers, (MCADO) mentioned the amounts set aside for lawsuits, saying the jails are currently not staffed adequately and he felt that fact alone could open them to lawsuits.

David Smith replied that staffing ratio standards for similarly sized jails had been studied when the 4<sup>th</sup> Avenue and Buckeye jails were built. He stated if there are vacancies it is because OMB has not received any requests from the Sheriff's Office to fill detention officer positions, adding "We don't want to take a chance in the jails." He added that detention and road patrol come first.

Sean Pearce, Deputies Law Enforcement Association, said he understood the Sheriff's Office had asked to shift budget monies to allow an even spread for those who are taking furlough days when going to other agencies and some who are not taking furlough days. He said it was a morale issue.

LeeAnn Bohn said the problem comes from the funding source, explaining that there are two funds, the General Fund and the Detention Fund. She indicated the Detention Fund cannot supplement the General Fund even though it is "healthier" because use is restricted to things such as staff, and monies to operate and build jails.

Mr. Altamirano asked why do furloughs if there is money to hire workers. Mr. Smith replied that it is a management choice that is determined by a policy to authorize lump sum budgets in response to an economic downturn. When revenues are falling, controls have to be added that could result in a hiring freeze and/or capital freeze.

Supervisor Wilcox said there are restricted funds in the Sheriff's Office.

Sean Pearce said he understood that all must be fiscally responsible in taking budget cuts and asked if priorities are in place (public safety being one) why not fund the furlough days rather than putting the money into building the court tower? He said the County wanted to decentralize, so why build this downtown?

David Smith said there was a financial downturn in 2001 and the County finished those projects that were planned and/or underway, and the County plans on doing the same thing now. He said that 30 years ago the County had 1.4 million people, now there are 7 million people. This population increase will continue and it is important to plan for the future. An adequate physical plant is needed for the courts that will serve the population for the next 50 years. It is necessary to accommodate without jeopardizing safety. Mr. Smith reiterated, "Maricopa County is in better shape than any other government anywhere."

**At 3:35 p.m. the Chairman called for a 5-minute break.**

#### **MEETING RECONVENED**

Chairman Wilson reconvened the Board at 3:40 p.m.

## **Risk Management**

### **3. MARK AND SARAH BUCHANAN VS. MARICOPA COUNTY AND AARON ENGLEBECK, ET. AL.**

Approve settlement ~~in an amount determined~~ of \$1,142,000 by the Board of Supervisors in the case of Mark and Sarah Buchanan vs. Maricopa County and Aaron Englebeck, et. al., Court # CV2009-014160 (Claim # AL 5005051034581) and authorize the Risk Manager to sign any necessary settlement documents on behalf of the Chairman of the Board upon review and approval as to form by assigned legal counsel. This matter was discussed with the Board in Executive session on 9/2/09. (C-75-10-005-2-00)

Motion to approve as amended:(the words "in an amount determined" were stricken and "of \$1,142,000" was inserted by the Clerk prior to the vote,) by: Supervisor Stapley, Seconded by: Supervisor Wilcox  
Ayes: Stapley, Wilcox, Wilson  
Absent: Kunasek, Brock

## **Office of Management and Budget**

### **4. REPLACEMENT VEHICLES FOR SHERIFF'S OFFICE**

Direct Equipment Services to replace the following patrol vehicles with the equal number of patrol vehicle replacements. This results in no net change to the County's fleet.

The following eight (8) vehicles will be replaced:

Eq#	Year/Make/Model
11635	2006 Ford Crown Vic
11650	2006 Ford Crown Vic
11651	2006 Ford Crown Vic
11665	2006 Ford Crown Vic
11753	2007 Ford Crown Vic
31425	2004 Ford Expedition
31778	2007 Ford Expedition
31790	2007 Ford Expedition

This action is being requested in accordance with agenda item C-49-08-031-6-01, approved by the Board of Supervisors on February 11, 2009. The Office of Management and Budget and Equipment Services have analyzed the need for these vehicles to be replaced, based on miles, age and maintenance costs, and concluded that they should be replaced. Equipment Services currently has the replacement vehicles in inventory. (C-49-10-012-V-00)

Supervisor Wilcox spoke of the analysis done by OMB and said she would still like information on who is driving these vehicles and if they will need to take them home.

**~ Supervisor Brock left the meeting ~**

Motion to approve by Supervisor Stapley, seconded by Supervisor Wilcox,  
Ayes: Stapley, Wilcox, Wilson  
Absent: Kunasek, Brock

Item #2 was taken at the end of the meeting. Supervisor Brock entered the meeting shortly after Mr. Harris began his presentation.

## **Public Works**

### **2. DOWNTOWN COURT TOWER PROJECT UPDATE**

The Downtown Court Tower executive team will present a status report on the Downtown Court Tower construction project.

Kenny W. Harris, County Engineer, Assistant County Manager for Public Works,  
James E. Foley, Deputy Director, Facilities Management Department  
Abe Thomas, Downtown Court Tower Project Executive  
Ron Ecker, Program Manager, Parsons Commercial Technology  
(C-70-10-003-P-00)

Kenny Harris introduced Abe Thomas, Ron Ecker and James Foley who would comment on the current construction and financial status of the Downtown Court Tower while presenting the prepared slides.

**~ Supervisor Brock entered the meeting ~**

Mr. Harris said that this is and was the right time to build this Tower because they are already seeing cost savings in several areas due to the economy, that include materials, contractors, the cost of steel and other large-ticket items.

The slides were presented and reviewed, with additional information on inclusions in the various GMP's (Guaranteed Maximum Pricing) given when requested. The current estimate of total savings between the beginning estimate and final cost is now expected to be at least \$5.6 million. The parking garage has been demolished and the new building foundation is underway. Mr. Ecker reported that GMP 5 is being bid at this time.

**~ Supervisors Brock and Wilcox left the meeting for short periods  
both returned to the meeting during this presentation ~**

Move-in and occupancy is anticipated to be on schedule in the Spring of 2012. The County has gone "green" and this building will also be built to comply with the silver LEED rating on all new construction. This rating assures long term energy savings. The project receives annual financial audits of all procurement and expenditures. The next audit will be in November 2009. All categories are within budget at this time.

Supervisor Brock raised what he said is a commonly heard complaint – that the building is full of marble, expensive woods and other costly materials making it an exotic "Taj Mahal" instead of a functional public building. He asked for an explanation of the longevity and efficiency that is expected in the Tower. Mr. Ecker said the current estimated cost per square foot is \$371, which is considered median or lower-range median. Abe Thomas added that a chart of all materials used is on the website.

Supervisor Stapley was impressed with the forethought being used and mentioned the use of copper and the components for art and safety, as planned.

Abe Thomas said there will be double corridors for security, to keep the judges private and to keep inmates away from the general population.

Mr. Harris said he had hopes that there would be as much as \$8 million to \$10 million left at the end of construction.

**MEETING ADJOURNED**

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:

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Max W. Wilson, Chairman of the Board

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Fran McCarroll, Clerk of the Board